



U.S. Immigration  
and Customs  
Enforcement

May 12, 2005

# News Release

## **ICE FRAUD PROBE LEADS TO FIRST SOUTHERN CALIFORNIA PROSECUTION FOR NAFTA VIOLATIONS**

*Los Angeles import company to pay more than \$5 million for penalties and losses*

SAN DIEGO – A longtime Los Angeles import company has agreed to pay more than \$5 million in penalties and three of its executives have pleaded guilty to charges stemming from an investigation by U.S. Immigration and Customs Enforcement (ICE) that resulted in the first prosecution in Southern California involving violations of the North American Free Trade Agreement (NAFTA).

Three officers with Triunfo-Mex, Inc, a Los Angeles firm that imports Mexican products for commercial use in the United States, pleaded guilty in federal court in San Diego today to a two-count criminal information charging them with failing to pay duty they legally owed. The charges were lodged following a three-year investigation by ICE working closely with import specialists from U.S. Customs and Border Protection.

The company's officers, Eriberto Candelario, Cristina Candelario, and Josefina Candelario, admitted that Triunfo-Mex imported more than 32,000 items from Mexico, almost exclusively through the Port of Entry in Calexico, California. The majority of the imported products were exported by Productos Mexicanos El Triunfo SA de CV, a company that shared the same ownership as Triunfo-Mex, Inc.

From 1998 through January 2003, certain products imported from Mexico were subject to quotas set under NAFTA. Once the quota was reached for a particular item, subsequent imports of that item were subject to duty.

According to the plea, from January, 1, 1998 through January 1, 2003, Triunfo-Mex imported products such as condensed milk and instant drink mixes, which were subject to quotas under NAFTA. Before the quota was reached for a particular item, Triunfo-Mex, Inc. declared the item's true unit price on the import documents accompanying it. However, the defendants admitted once the quota was reached, they dropped the declared price for the item to approximately one tenth of its previously declared value, avoiding millions of dollars in duties.

The corporation acknowledged that the overall loss of duty during the period of the offense was \$3.5 million and agreed to reimburse the federal government for those losses. The firm also agreed to pay a \$2.1 million fine, one of the largest fines ever imposed for NAFTA-related violations.

The defendants are scheduled to be sentenced August 22. Each faces a maximum penalty of two years in prison and a \$250,000 fine.

**DEFENDANTS**

Triunfo-Mex, Inc.      City of Industry, California

Eriberto Candelario      Guadalajara, Mexico

Cristina Candelario      Fullerton, California

Josefina Candelario      Mexicali, Mexico

# ICE #

*U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.*